



STATE PROCUREMENT OFFICE
NOTICE OF REQUEST FOR EXEMPTION
FROM HRS CHAPTER 103D

13 JUN 14 A11:00

STATE PROCUREMENT OFFICE
STATE OF HAWAII

TO: Chief Procurement Officer

FROM: Sandra Yahiro, Acting Administrator, EUTF
Name of Requesting Department

S. Yahiro

Pursuant to HRS § 103D-102(b)(4) and HAR chapter 3-120, the Department requests a procurement exemption for the following:

1. Describe the goods, services or construction:

The Affordable Care Act established the temporary Early Retiree Reinsurance Program (ERRP) to provide reimbursement of medical and prescription drug costs for early retirees. With the approaching sunset date of the ERRP on January 1, 2014, on April 19, 2013, the EERP announced that the U.S. Department of Health and Human Services, Centers for Medicare and Medicaid Services, issued a notice which stated that corrections to data inaccuracies in previous reports that were submitted for these Federal reimbursements must be received by July 31, 2013 (see attached website announcement). The notice detailing this process was published in the Federal Register on April 23, 2013, and has an effective date of April 19, 2013 (see attached Federal Register and CMS explanation). Because the reimbursement applications contained data that was based on cost projections and not actual amounts, Aon would submit a report which reconciles the actual versus the projected amount so that the EUTF will be able to receive its full reimbursement amount. If the additional ERRP reporting is not submitted and an audit is conducted, EUTF may be in jeopardy of losing \$6.6 million that it has already received.

2. Vendor/Contractor/Service Provider:

~~Aon Hewitt~~

Aon Risk Services, Inc. of Hawaii

3. Amount of Request:

\$ 10,000

4. Term of Contract From: *6/25/2013* To: *7/31/2013* 5. Prior SPO-007, Procurement Exemption (PE): *10-078-K*

6/25/13

8/21/13

KT per email request 6/25/13

6. Explain in detail, why it is not practicable or not advantageous for the department to procure by competitive means:

Aon is EUTF's former benefits consultant that submitted the EUTF's reimbursement application for the ERRP when the program began (see attached SPO Form 7 which was approved on May 28, 2010). As a result of the applications submitted by Aon, the EUTF was able to receive reimbursements in the amount of \$6.6 million through the ERRP program. Because Aon submitted the EUTF's reimbursement applications for the ERRP and was privy to the information used to generate the previous reimbursement application, they are familiar with the work that was done and have an understanding of what is required to complete the needed report on data inaccuracies. Additionally, because Aon continues to have access to the information that is needed to generate a report on data inaccuracies, it would not be practicable or advantageous for this work to be procured by a competitive means given the July 31, 2013 deadline for report submission. We note that the effective date of notice, April 19, 2013, does not allow enough time for EUTF to obtain quotes from potential consultants, and turn over large amounts of data for a new consultant to generate the report.

7. Explain in detail, the process that will be or was utilized in selecting the vendor/contractor/service provider:

EUTF considered the fact that Aon was the EUTF's benefits consultant at the time that the ERRP program began, and also submitted the EUTF's applications for Federal reimbursement. As a result of this, Aon is familiar with the data that was used to generate the previous applications for reimbursements and also has an understanding of what is required to submit a report on data inaccuracies that were contained in previous reports submitted by Aon.

8. Identify the primary responsible staff person(s) conducting and managing this procurement. (Appropriate delegated procurement authority and completion of mandatory training required).

*Point of contact (Place asterisk after name of person to contact for additional information).

Name	Division/Agency	Phone Number	e-mail address
Sandra Yahiro*	EUTF	587-5431	Sandra.L.Yahiro@hawaii.gov

*All requirements/approvals and internal controls for this expenditure is the responsibility of the department.
I certify that the information provided above is, to the best of my knowledge, true and correct.*

Department Head Signature

Date

For Chief Procurement Officer Use Only

Date Notice Posted: 6/18/17

Inquiries about this request shall be directed to the contact named in No. 8. Submit written objection to this notice to issue an exempt contract within seven calendar days or as otherwise allowed from date notice posted to:

state.procurement.office@hawaii.gov

Chief Procurement Officer (CPO) Comments:

Approval is for the period 06/25/13 to 08/31/13 and is based on Aon Risk Services, Inc. of Hawaii's familiarity of the application process and reconciliation of the data which is crucial in meeting the July 31, 2013 application deadline and is critical in the process of receiving funding from this program. This approval is for the solicitation process only, HRS section 103D-310(c) and HAR section 3-122-112, shall apply (i.e. vendor is required to be compliant on the Hawaii Compliance Express) and award is required to be posted on the Awards Reporting System. Copies of the HCE certificate and awards posting are required to be documented in the procurement/contract file.

If there are any questions, please contact Kevin Takaesu at 586-0568, or kevin.s.takaesu@hawaii.gov.

☒ Approved

☐ Disapproved

☐ No Action Required

Chief Procurement Officer Signature

Date